

ROUTING AND TRANSMITTAL SLIP

Date

TO: (Name, office symbol, room number,
building, Agency/Post)

Initials

Date

1. DDA/MS

Hoo seen!

2. A/EO/DDA

Rz 3/11

3. DDA

J

4.

5.

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

DO NOT use this form as a RECORD of approvals, concurrences, disposals,
clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

☆ GPO : 1981 O - 361-529 (148)

ROUTING AND RECORD SHEET**SUBJECT:** (Optional)

Consolidation of National Programs Finance Branch/OF and PAB/OD&E

FROM:

1212 Key Bldg.

EXTENSION**NO.****DATE**

18 March 1983

TO: (Officer designation, room number, and building)**DATE****RECEIVED****FORWARDED****OFFICER'S INITIALS****COMMENTS** (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DDA
7D10 Hqs. Bldg.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

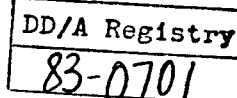
12.

13.

14.

15.

C O N F I D E N T I A L



9 March 1983

MEMORANDUM FOR: Director of Development and Engineering

THROUGH: Deputy Director for Administration
Deputy Director for Science & Technology

FROM: Edward L. Sherman
Director of Finance

SUBJECT: Consolidation of National Programs Finance
Branch/OF and PAB/OD&E

REFERENCE: D/D&E Memorandum to D/OF, Dated 19 Nov. 1982
Same Subject

1. Your memorandum dated 19 November 1982 recommends that the National Programs Finance Branch of the Audit and Certification Division of the Office of Finance be abolished as an organizational unit and that its functions, responsibilities and personnel be transferred to the Program Administration Branch of the Office of Development and Engineering. Of the three functions performed by NPFb noted in paragraph 1 of your memo we agree that NPFb should cease performing function b., auditing of travel accountings and auditing of B station accountings. It serves no one to have travel accountings audited twice, and we have urgent requirements elsewhere for the positions and people who currently perform this function in NPFb. With respect to Class B station accountings, we agree that PAB should perform the total function including obligations control and expense auditing as is the case with all other Budget and Fiscal units throughout the Agency.

2. However, with respect to functions A and C, contract invoice audit and cash disbursing, we believe these functions should remain with the Office of Finance and the DDA. With respect to preaudit, certification and payment of National Programs invoices it is a fundamental rule of proper administration that the contract negotiation function and the contract audit and certification function should be organizationally separated to prevent fraud, waste and misuse of funds. Even though the National Program funds are not originally appropriated to this Agency they become by transfer under the Economy Act a legal responsibility of the Agency and are covered by the Director's special authority to certify funds for extraordinary purposes thereby preventing any external review of these expenditures. The amounts involved are very large. We believe these funds should be treated with the

1

C O N F I D E N T I A L

C O N F I D E N T I A L

same degree of protection given other Agency contractual expenditures. This protection requires that the Director of OD&E not be vested with supervisory authority over both contract approval and contract certification and payment.

3. We further believe that such issues as application of the Prompt Payment Act and other authorities and regulations pertaining to contract administration are clearly best left to the administration of the Deputy Director of Administration and his office directors instead of being decentralized to office directors throughout the Agency.

4. With respect to the disbursing function presently operated by NPFb we see no reason to shift this particular function to OD&E at present. It is possible that the Office of Finance may relocate shortly, thereby eliminating the necessity for the NPFb disbursing function. Should this move not materialize, we will be happy to consider this issue again.

5. We appreciate your suggestion to eliminate the redundant travel audit function in NPFb. Please let us know when you believe we can phase it out. I will be happy to discuss these matters with you if that is necessary.

cc: DDA/LOG

CONCUR:

DDA

14 MAR 1983
DATE

C O N F I D E N T I A L